

“U.S. Policy: What’s New?”

Remarks by WHA Assistant Secretary Arturo A. Valenzuela

To the Americas Conference

September 14, 2010

Thank you to the Miami Herald Americas Conference for the opportunity to be here with you today to share the Obama administration’s vision for the Americas. It’s great to be with so many friends in Miami, a city that truly sits at the crossroads of the hemisphere, to share what’s new in U.S. policy towards Latin America. Over the last 19 months, the Obama administration has clearly established a new, more constructive, narrative in our relations in the Americas. That narrative reflects the rich networks of ties that join our peoples. And it reflects the great strategic priority we place on our relations with the governments and societies of Latin America, the Caribbean, and Canada--- whose futures are so closely linked to our own.

So, it should not be a surprise to anyone here when I say that the success of all our neighbors is a compelling national security

interest of the United States. That success, our common success, is what U.S. policy in the Americas is all about. Last June, Secretary Clinton joined together with the nations of the hemisphere to attend the General Assembly of the Organization of American States in Peru, before traveling on to meet with partners in Ecuador, Colombia, and Barbados. In fact, during her first 18 months in office, Secretary Clinton has visited seventeen countries in the Western Hemisphere, which is more than any other Secretary of State during a similar period dating back to Henry Kissinger in the Ford administration.

As we look to the future, so much of what we must help accomplish in this hemisphere also hinges on a bold vision -- of the extraordinary promise of an Inter-American community with shared values, shared challenges, a shared history and, most importantly, shared responsibility. There are many examples I could cite of the renewed sense of hemispheric purpose, including most notably the extraordinary outpouring of support to Haiti following the devastating earthquake that struck the country earlier this year.

The Obama administration recognizes that advancing that vision will require sustained, informed, creative, and competent engagement, drawing upon the experience and capacity of all the countries of the Americas. We share a powerful foundation of values and commitment to social progress, reflected in every one of our histories. Yet we are a region of profound differences too, between us and even within many of our countries. Our challenge is to use that diversity—which this administration celebrates—as a strength and inspiration as we work together to overcome our individual challenges, address common threats, and realize the common opportunities that can define our future.

Furthermore, the United States is determined to avoid falling into the twin traps that have often sidelined our efforts to construct an effective policy towards Latin America. The first trap is “myopic bilateralism,” where the U.S. focuses on narrow bilateral interests with a given country without taking into account the impact of our policies on the region as a whole. The second trap is “stale multilateralism,” where our policies become mired in an effort to develop a broad but shallow consensus among the countries of the

Americas, thereby substituting process for action and hindering the vitality that this hemisphere needs. Instead, we are pursuing a new approach of “dynamic engagement” that seeks to advance U.S. interests in partnership with Latin America as a whole, while recognizing the value of accommodating diverse needs and interests.

In particular, we want to catalyze networks of practical partnerships, among all capable stakeholders in the Americas, focused on four over-arching priorities critical to people in every society. These priorities are: promoting social and economic opportunity for everyone; securing a clean energy future; ensuring the safety and security of all of our citizens; and building effective institutions of democratic governance. All this we seek to achieve while harnessing and strengthening multilateral and regional institutions, especially Organization of American States. These are the core goals that guide our policies of dynamic engagement and reflect the interests of the United States in Latin America.

The Opportunity Agenda

Last summer in Quito, Secretary Clinton spoke about “Opportunity in the Americas.” She outlined our vision for a hemisphere that is more competitive, equitable, and provides greater social mobility for its citizens. Achieving economic prosperity will be essential to our common future. The economic relationship between the United States and Latin America is exceptionally robust. In 2009, total U.S. merchandise trade with the region reached \$524 billion. More than 40% of Latin American exports flowed to the United States, making us the region’s single largest export destination – and the Western Hemisphere, including Canada, absorbs 43% of U.S. exports. Half of our energy imports come from the Western Hemisphere and we are also the region’s largest investor and source of remittances.

The U.S. has long been a leader in promoting more open markets around the hemisphere, and this will continue. President Obama is committed to moving forward with both the Panama and Colombia Free Trade Agreements at an appropriate time, after we have addressed remaining issues with key stakeholders. And as these issues are being resolved, our trading relationships continue to deepen. U.S. exports to the most of the region are growing quickly in

2010 – upwards of 30 percent over 2009 levels in some cases – as Latin American economies experience robust growth. Trade delegations in both directions are continuing to explore opportunities in our hemisphere.

Latin America generally has been less adversely affected by the world economic crisis than many would have expected. But this picture is complicated by the harsh reality that poverty and inequality affect most countries—indeed 190 million Latin Americans live in poverty and the region has some of the highest levels of income inequality in the world. Development assistance still has an important role to play; we provide over \$2 billion a year in this form to Latin America and the Caribbean.

It used to be said that trade, not aid, would be the driving force in overcoming patterns of underdevelopment. Yet, we also understand that, even together, both trade and aid are not enough. In order to fully embrace the opportunity agenda, Latin America and the Caribbean will need to focus on increasing its own economic competitiveness and enhancing policies that facilitate social

inclusion. Both are critical to building prosperous, safe, democratic, and just societies.

In a competitive and globalized world, expanding opportunity requires two things: investment in infrastructure and investment in people. There is no shortcut. Without adequate roads, bridges, port facilities, power plants, and airports, goods simply can't get to market at home or overseas. Without adequate financial infrastructure, large and small enterprises cannot get the loans they need to conduct business. Without training and education for all, people are left behind; societies are deprived of their talent and industry, and countries lag. And that lag can quickly become an unbridgeable chasm in an ever more competitive world in which countries in other latitudes are sustaining the right policy choices and equipping their people, and societies to play to win. Unless Latin America does a better job of educating all of its citizens and lays the foundation for a productive, thriving formal economy, it cannot reasonably expect to compete successfully with other regions of the world.

This is why it is essential for governments to implement reforms and put into place fairer, simpler, and more transparent taxation regimes. As Secretary Clinton has recently emphasized, this means the region must address the epidemic of tax evasion – exceeding 50 percent by some estimates – that allows the wealthy to avoid paying their fair share. The wealthiest must understand that they can no longer simply seek to safeguard their own narrow interests or use the state simply to benefit the privileged, but must be willing to invest in the good of the community as a whole. We have seen greater philanthropy in the hemisphere that demonstrates greater corporate and individual social responsibility. While we welcome that trend, it cannot substitute for an adequate tax base to serve the whole society.

We are working with regional partners in many ways to expand social mobility and justice, create a wider foundation for economic growth, and ensure that the benefits of growth and trade are distributed more equitably. Let me cite just a few specific examples:

Secretary Clinton is committed to Pathways to Prosperity. She re-launched it with a sharpened focus on spreading the benefits of

economic integration more broadly, particularly among groups that have been traditionally excluded. In Washington, we hosted a conference of women entrepreneurs from Pathways countries to launch a mentoring network for sharing best practices. In March, the Secretary led the U.S. delegation to the Pathways ministerial in Costa Rica. There she highlighted women's economic enfranchisement, customs reform efforts, establishing secured transaction frameworks, and the importance of tourism in promoting economic opportunity. Long-term economic growth, so critical to our citizens' well being, requires sustainable access to credit—especially for small and micro-businesses. To get that credit flowing, the President joined with the Inter-American Development Bank to create the Microfinance Growth Fund for the Americas last April.

Promoting opportunity not only takes sustained investment, but also ideas. As they work to meet their peoples' needs many Latin American leaders are trying innovative policies and getting strong results. Mexico and Brazil have pioneered conditional cash transfer programs that are reducing poverty, expanding access to opportunity, and catching attention worldwide. All our countries face social

challenges, and we should learn from each other's experience. One way we are doing so is through participation in the Inter-American Social Protection Network that was inaugurated last fall in New York—essentially a clearinghouse for innovative policies, many born in Latin America but applicable more widely.

We recognize that Latin America has increasingly global aspirations, and that the rest of the world has a role to play in generating hemispheric prosperity. For that reason, we are looking to collaborate more closely with the members of the European Union to promote economic development and enhance regional security. We have also actively engaged partners in Asia. We have an ongoing dialogue with Japan on Latin American issues and will be hosting a delegation from South Korea later this fall. We also note that India is playing a larger economic role in Latin America and believe this has the potential to mutually benefit all parties involved.

In August, within the framework of the U.S.-China Strategic and Economic Dialogue, I traveled to Beijing and Shanghai to meet with Chinese leaders and academics and explore the possibilities for

cooperative projects between our two countries to advance economic prosperity in the hemisphere. During this visit, I was able to ascertain the level of interest in Latin America by Chinese diplomats and scholars, as well as by Latin America's increasing engagement with China. At the Shanghai World Expo, for example, I visited the national pavilions of several Latin American nations that showcased the best of the region's products and its cultural diversity. Their presence allowed many of the millions of Chinese visitors to the Expo to gain a deeper appreciation of Mexican art and Brazilian soccer, Chilean wine, and Colombian coffee, as well as the music of Venezuela and Ecuador, among other countries.

A Clean Energy Future

Many Latin American countries are making enormous contributions to the development of new forms of clean energy. The region has the potential to lead the world in clean energy—in fact, several countries in the Americas are already key global players. The United States has a compelling political, economic, social, and environmental stakes in regional and global advances toward a

secure and clean energy future--and also some grounds for real optimism that we will can help achieve this.

One innovative way we're going about it is through the Energy and Climate Partnership of the Americas. The search for, and production of, alternative energy represents potentially vast opportunities; opportunities for research and development; opportunities for countries to move up the value chain, creating jobs and generating growth. The biofuels partnership between the United States and Brazil is an important element of our broader energy strategy to develop new energy sources that create new opportunities for our citizens and advance our economic interests. I also want to specifically highlight the new clean energy dialogues the President launched with both Canada and Mexico, and we hope to begin dialogues with other countries in the hemisphere as well.

Engaging the hemisphere in addressing global climate change is a key priority of this administration. We are encouraging the development of renewable energy sources and promoting strategies that better preserve the natural resources and reduce practices that

lead to deforestation and environmental degradation. In March, Secretary Clinton launched a new Climate Change Policy Dialogue with Brazil that will aim to reduce greenhouse gas emissions, promote greater scientific cooperation, and advance clean energy technologies. In July, I traveled with U.S. Special Envoy for Climate Change Todd Stern to Chile, Peru, and Ecuador to discuss how to deepen bilateral and multilateral cooperation in the areas of the climate change and renewable energy sources. We are pleased that Mexico will be hosting the 16th Conference of Parties to the United Nations Framework Convention on Climate Change in November, which will play a vital role in addressing this issue.

The Importance of Citizen Security

The Obama administration is reframing our pursuit of security partnerships in the Americas. We understand that keeping our citizens safe goes far beyond the drug production, trafficking or consumption. It depends fundamentally on effective and accountable institutions of governance, expanding economic opportunity, and strengthened rule of law. It involves frank recognition of the role we

all play in feeding transnational crime, and in the direct responsibility we all have to pursue sound policies to break those links. Most importantly, we understand that only through new networks of cooperation between governments at all levels and communities can the Americas create the safe streets and neighborhoods that our people want and deserve.

When President Obama hosted Mexican President Felipe Calderon at a state dinner last May, the encounter symbolized how far Mexico and the United States have come in partnership to enhance citizen safety. Our vision of the Merida initiative goes well beyond interdiction of contraband, to include facilitating legitimate trade and travel; cooperating to build strong communities resilient to the corrupting influence of organized crime; disrupting organized crime; and institutionalizing reforms to sustain the rule of law and respect for human rights.

Beyond Merida, our partnerships, through the Central American Regional Security Initiative, the Caribbean Basin Security Initiative, and in Colombia, are also strengthening societies' ability to fight

transnational crime, protect their people and institutions, and prevent the spread of illicit goods and violence in our societies. In the process, these partnerships are transforming relationships, brokering growing cooperation between those countries and the United States, and among the partner nations themselves. In the Andes, it remains in our national interest to continue to help the Colombian people achieve the lasting and just peace they want, making irreversible the gains they have sacrificed so hard to achieve while expanding our cooperative engagement with Ecuador, Peru, and Bolivia. As countries strengthen their internal capacity to address security challenges, they are forming their own separate partnerships with neighbors in ways that multiply the effectiveness of programs. Canada is a vital and committed security partner with countries all over the Americas; Mexico and Colombia are sharing vital capacity and experience; countries such as Brazil, Uruguay, and Chile are showing notable leadership in international security initiatives such as in the UN peacekeeping mission in Haiti.

We recognize that citizen security is one of the great challenges facing Latin America and the Caribbean today. Fortunately, the

Americas have come a long way in resolving serious inter-state conflicts and border disputes, such as those that raised fears of war between Argentina and Chile or Peru and Ecuador in previous decades. In this context, we welcome the recent reduction of tensions between Colombia and Venezuela as a positive development, and we continue to work with our partners in the region to ensure that conflicts between states will not re-emerge in the future.

The Pursuit of Good Governance

We recognize that our goals of facilitating regional prosperity, citizen safety, and a clean energy future will require building stronger institutions of democratic governance. Very little of what we might help accomplish in other areas will be sustainable, or bring full benefit to people, unless they are based on the firm foundations of capable, legitimate, and responsive institutions. Our strong support for democratic governance and human rights is rooted in this fundamental fact.

Values of democracy, respect for human rights, accountability, tolerance, and pluralism are increasingly ingrained into practice throughout the Americas. So many of the Americas' leading democracies have recently gone through, or are preparing for, peaceful electoral transfers of power. Alternation in power, increasingly effective institutions, responsible fiscal policies, open trade policies, and greater accountability—exemplified by the vast majority of Latin American and Caribbean nations—embody the hemispheric reality.

Still, as we work with our partners to strengthen democratic institutions in the community of the Americas, we are cognizant of the continuing weaknesses in democratic procedures and practices. Collectively, we need to be clear eyed and proactive in addressing risks to our common agenda, and those include attempts to expand majoritarian or populist rule at the expense of fundamental minority rights and effective democratic governance based on dialogue and consensus within the rule of law. Though our agenda remains manifestly inclusive and seeks points of convergence even in difficult cases, we remain steadfast in our commitment to core principles and

recognition of key values like human and labor rights, press freedom, and the importance of robust democratic institutions.

It is the defense of those values that has and will continue to guide our approach toward Cuba. Reaching out to the Cuban people in support of their desire to freely determine their country's future and to increase their independence from the state have been key drivers of our policy and the reasons behind our efforts to enhance contact with the Cuban people. While we welcome the ongoing release of political prisoners, we await the day when the fundamental rights of the Cuban people are fully respected.

In our defense of universal norms, we seek to act in concert with our regional partners and partners outside of the Americas who are deeply engaged in the hemisphere. It is important that we continue to deepen frank diplomatic engagement on persistent, as well as incipient challenges to democracy in the region, and work with our partners -- as well as international organizations and civil society -- to find effective collective means to address them. However, even

where we do encounter sometimes problematic relationships we will continue to collaborate where we can to advance shared interests.

Here again, Cuba is a case in point, where we have exhibited a willingness to cooperate on issues in our national interest like migration, establishing direct postal service, or coordinating relief efforts in post-earthquake Haiti. At the same time, we urge the Cuban government to immediately set free Alan Gross, a U.S. citizen who has been detained without charges since last December.

As we seek to cooperate to buttress key institutions, we must also work together to strengthen the region's key multilateral bodies. The Organization of American States is the oldest regional organization in the world, and, we believe that the OAS has a dynamic role to play today, protecting the interests of all members, large and small, and providing a framework for effective action to advance common interests. We support the OAS as the foremost multilateral organization in the hemisphere, but, as Secretary Clinton has emphasized, in order for the OAS to live up to its ideals it must refocus on its core mission of advancing strong democratic

institutions that foster peace, citizen security, and opportunity for all. Now is the time for the OAS to move ahead with implementing the Inter-American Democratic Charter. The United States is working with other member states to jointly develop a collaborative plan of action to turn this vision into reality.

We also note ongoing efforts to promote regional integration and coordination at the sub-regional level, and we welcome initiatives that will lead to political and economic advancement. For example, the Union of South American Nations, or UNASUR, can play a key role if it leads to promoting confidence-building and can help avert regional polarization and conflict. However, this does not dilute the unique role of the OAS in developing the rich array of international conventions and treaties that have contributed so much to the inter-American system.

Conclusion

I am a long-time student of the history of the Americas. I am a son of the Americas, and feel on a very personal level so much of the

common heritage I mentioned earlier. I am a proud representative of my country and government. And, through every one of these three optics, I am an optimist: about our common region, and about my country's role within this broader community.

We are, indeed, forging a new vision for U.S. policy that is respectful, responsive, and realistic. Our common embrace of a qualitatively new level of partnership holds vast potential to help us thrive in our diversity and freedom. We've never been so fortunate. I thank you for your attention.